

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Application of Bigfork Valley Electric Service Company, Inc. For Authority to Change its Schedule of Rates for Electric Utility Service for Customers Within the State of Minnesota

ISSUE DATE: June 9, 1988

DOCKET NO. E-013/GR-86-428

ORDER CLOSING DOCKET

PROCEDURAL HISTORY

On June 18, 1987, the Minnesota Public Utilities Commission (the Commission) issued its FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER APPROVING AMENDED STIPULATION in the above docket. Order paragraph 6 required Bigfork Valley Electric Service Company (Bigfork) to file the results of its negotiations with its supplier to reduce purchased power costs and any revised purchased power agreement within 90 days. Order paragraph 7 required Bigfork to file within 90 days a study on the feasibility of an off-peak service rate for the industrial customer class conducted with the Minnesota Department of Public Service (DPS) and Rajala Mill Company (Rajala).

On September 24, 1987, Bigfork notified the Commission that it had received offers from the North Itasca Electric Coop, Inc. (North Itasca) and Minnesota Power and Light Company (MP) to purchase Bigfork. Bigfork stated that it expected to sell its electric utility property to MP and would file a joint petition with MP for approval when a purchase agreement was signed.

On October 12, 1987, DPS commented that it believed Bigfork was acting in good faith and was in compliance with the intent of Order paragraphs 6 and 7 of the June 18 Order. The DPS recommended that the Commission close this docket upon the filing of a property sale petition by Bigfork. On October 13 and 16, 1987, Rajala submitted comments stating that it would likely be supportive of the proposed purchase, but suggested that this docket remain open until the Commission reviewed the proposed purchase and sale to determine if it would accomplish the goals of the June 18 Order.

On January 12, 1988, Bigfork and MP filed a joint petition for approval of the purchase and sale of Bigfork's public utility property effective August 11, 1988 pursuant to Minn. Stat. Section 216B.50 (1986) in In the Matter of the Joint Petition for the Approval of Minnesota Power and Light

Company's Purchase and Bigfork Valley Electric Service Company's Sale of Utility Property,
Docket No. E-015,013/PA-88-34.

After opportunity for written and oral comments by interested parties, the Commission approved the joint petition. The Commission's ORDER APPROVING TRANSFER OF UTILITY PROPERTY AND SERVICE AREA in MP, Bigfork, E-015,013/PA-88-34 is being issued simultaneously with this ORDER CLOSING DOCKET.

STATEMENT OF THE ISSUE

The issue before the Commission is whether the transfer of Bigfork's utility property and service area to MP approved in MP, Bigfork, E-015,013/PA-88-34 accomplishes the intent of the Commission's Orders in the instant docket, as specifically summarized in Order paragraphs 6 and 7 of its June 18 Order.

FINDINGS AND CONCLUSIONS

The Commission finds that Bigfork acted to comply with the June 18 Order by discussing alternative purchased power rates with North Itasca. At approximately the same time, Bigfork also explored the option of selling its utility property, and received offers from North Itasca and MP. Bigfork decided to sell to MP, subject to Commission approval.

In its February 17, 1988 comments in MP, Bigfork, E-015,013/PA-88-34, Rajala commented that the purchase satisfies all the concerns raised in the Commission's June 18 Order.

The Commission finds that the sale of Bigfork to MP will result in substantially lower power costs to all customers in Bigfork, including Rajala. From the customers' point of view, this result is equivalent to a substantial reduction in overall purchased power costs, and thus satisfies the intent of Order paragraph 6.

The Commission finds that Rajala, Bigfork's only industrial customer, is satisfied with the rate levels and options available to it from MP as evidenced in its February 17 comments in MP, Bigfork, E-015,013/PA-88-34. Thus, the goal of Order paragraph 7 is satisfied.

Based on the above findings, the Commission concludes that the transfer of Bigfork's utility property to MP accomplishes the intent of the Commission's Orders in this docket, specifically Order paragraphs 6 and 7 of its June 18 Order. The Commission finds that no further actions are required in this proceeding and therefore will close this docket.

ORDER

1. Bigfork Valley Electric Service Company has fulfilled the requirements of the Commission's June 18, 1987 FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER APPROVING AMENDED STIPULATION in this matter through compliance filings in this docket and its joint petition with Minnesota Power and Light Company for sale of Bigfork's electric utility property in Docket No. E-015,013/PA-88-34.
2. This docket is hereby closed.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)